



## **Risk Assessment and Mitigation Requirements for High-Risk Environments**

This document is an annex to the USAID Office of U.S. Foreign Disaster Assistance (USAID/OFDA) Proposal Guidelines that provides supplemental requirements for proposals for programs in high-risk operating environments. USAID/OFDA recognizes that certain operating environments present a heightened risk of waste, fraud, abuse, and diversion due to the presence of groups and individuals sanctioned by the U.S. Government (USG)<sup>1</sup> and limited ability of USAID/OFDA personnel to directly monitor program implementation. USAID/OFDA will review its global portfolio at a minimum annually to determine where these conditions make it necessary for applicants to provide additional information regarding programmatic safeguards and risk mitigation strategies.

The below requirements for additional information regarding risk assessment and mitigation measures vis-à-vis groups and individuals sanctioned by the USG apply to all proposals for the following geographic areas:

Afghanistan  
Burkina Faso  
Far North, Cameroon  
Lac, Chad  
Iraq  
Libya  
Mali  
Niger  
Northeast Nigeria  
Somalia  
Syria  
Non-Government Controlled Areas of Ukraine  
Venezuela Regional Crisis  
Yemen

Proposals for USAID/OFDA funding in the above-referenced geographic areas, and any other areas where applicants believe heightened risks exist, must include the information described below in one or more annexes.

Additionally, proposals for USAID/OFDA funding in Syria must include information related to risk mitigation strategies for fraud, waste, and abuse, as well as vetting information. These requirements are detailed below.

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<sup>1</sup> For purposes of this document, *USG sanctions* refers to the Material Support statutes and/or sanctions programs administered by the U.S. Department of Treasury Office of Foreign Assets Control, including counter terrorism, Global Magnitsky, counter narcotics trafficking, country-specific sanctions, etc.

## **Risk Assessment and Mitigation Strategies**

If applicants are proposing work in the areas listed above, or in areas where applicants believe heightened risks exist, the proposal must include an annex with details on the measures the organization will undertake to prevent USAID/OFDA-funded humanitarian assistance under the proposed award from benefiting a group or individual sanctioned by the USG. This annex must include the following information:

- An analysis of the operating environment in the area(s) in which the organization proposes to work, including identification of sanctioned groups and individuals that have a presence in or maintain control over such areas and how those groups and individuals operate vis-à-vis humanitarian partners and programming;
- An explanation of the safeguards the applicant intends to put in place to prevent interference or influence by, transactions with, or provision of benefits to groups and individuals sanctioned by the USG during all phases of program implementation, including but not limited to the following:
  - How the applicant will prevent direct or indirect benefits to sanctioned groups and individuals through commercial activities that result in the payment of taxes, fees, tolls, etc., to a sanctioned group or individual;
  - Risk mitigation plans for moving equipment or supplies into proposed areas, including whether a sanctioned group could potentially benefit from fees or taxes paid during any stage of program implementation or could seek to divert equipment or supplies;
  - Measures to mitigate the risk that a sanctioned group would receive reputational benefit from the proposed program, such as a sanctioned group claiming credit for the assistance or services provided;
  - How the applicant will respond to attempts by sanctioned groups and individuals to interfere with or influence the way the applicant carries out program activities. The applicant should clearly articulate triggers for action and specify organizational processes for decision-making;
  - How beneficiary targeting and registration ensures that program beneficiaries are not sanctioned group members or affiliates;
  - How the applicant will verify that assistance reaches the intended beneficiaries;
  - How the applicant ensures that program assistance is not diverted from intended beneficiaries following distribution or service;
  - The controls and systems the organization has to ensure that procurement and hiring do not benefit sanctioned groups and individuals;
  - Any additional internal controls and oversight mechanisms the organization will put in place.

## **Additional Information**

The proposal package must include any additional supporting documents describing the risk mitigation procedures that the applicant has undertaken or will take for the specific operational context in which the applicant is proposing program implementation. These risks may include but are not limited to:

- Reviews of publicly available information regarding the behavior of sanctioned groups and individuals;

- Sanctioned group movements, to include maps;
- Searches of public databases, including SAM.gov, the Department of the Treasury's Office of Foreign Assets Control's (OFAC) Specially Designated National List, UN Security Council Sanctions List, the Department of State's Designated Foreign Terrorist Organizations (FTO) list, etc.
- Third-party assessments of the applicant's risk mitigation policies and procedures and/or implementation thereof.

## **Required for Syria - Programmatic Risk Assessment and Mitigation Strategies for Risk of Fraud, Waste, and Abuse**

Proposals for USAID/OFDA funding in Syria must include programmatic risk assessment and mitigation strategies for risk of fraud, waste, and abuse, inclusive of inventory oversight information, as applicable and as described herein.

### ***Fraud, Waste, and Abuse Policies and Procedures***

The proposal must include an assessment of risk for fraud, waste, and abuse associated with the proposed activities, as well as a description of how the organization proposes to reduce such risks within the proposed program. The proposal must address risks arising internally within the organization as well as from third parties. Risk mitigation strategies must address sub-awarding (if planned), vendor selection, and activity management.

- Conflict of interest policy
- Whistleblower hotline
- Ethics training
- Cybersecurity procedures
- Banking protocols
- Procurement policies
- HR policies

### ***Inventory Oversight***

The proposal must include a description of organizational inventory processes and standards used for warehouse operations associated with the proposed program. The proposal must also include details about any warehouses to be used for the proposed activities, specifically:

- The location and GPS coordinates of the warehouse;
- The size of the warehouse;
- Whether the warehouse is shared or leased space;
- Whether the warehouse is climate controlled;
- The intended use of the warehouse.

If the proposed program includes procurement of specialized goods for which USAID regulations stipulate specific storage requirements, such as pharmaceuticals, food, and seeds, USAID/OFDA must review and approve the inventory processes in advance of approving the procurement of the items.

If the proposed program does not include warehousing but involves utilization of a third-party shipper or third-party storage facility, details on the storage facility and shipping processes and policies should be provided within 30 days of the award.

**Required for Syria Vetting**

Consistent with the [USAID Syria vetting procedures](#), USAID reserves the right to undertake terrorist vetting of current or proposed recipients, sub-recipients or sub-contractors. USAID may undertake such vetting before or after an award, sub-award or sub-contract is approved. Submission of an application constitutes agreement by the applicant to provide information if requested to enable such vetting in accordance with the USAID Syria vetting procedures.

**Reference**

General Services Administration's System for Award Management (SAM)

<https://www.sam.gov/>

U.S. Department of the Treasury's OFAC Sanctions List Search

<https://sanctionssearch.ofac.treas.gov/>

UN Security Council Sanctions List

<https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list>

U.S. Department of State Foreign Terrorist Organizations (FTO) Designations

<https://www.state.gov/j/ct/rls/other/des/123085.htm>